11 June 1981

MEMORANDUM FOR: Deputy Director, National Foreign
Assessment Center

VIA: Director, Office of Economic Research

STAT FROM:

Chief, Development and Analysis Center, OER

SUBJECT: Request to Give a Briefing

1. Charles Mylander--a professor at the US Naval Academy--asked me to give a ten-minute "retrospective view" of the CIA's 1977 oil paper. This is not the Soviet oil paper; instead, it is the first in a series of unclassified analyses of the oil market, which the Agency began publishing in 1977.

2. The paper that Mylander is interested in is totally unclassified. It was distributed in thousands of copies. It involves a very simple model of the energy market, in which the demand for energy is seen as a function of economic growth.

3. My discussion will not be a defense of the Agency's Soviet oil estimates. The objective of Mylander's workshop (as stated on the attached brochure) is to explore "what lessons can be learned to improve the quality of energy studies and forecasts."

4. My remarks will focus on the relative merits of simple models such as the one used in 1977, versus the much more complicated, general-equilibrium structures developed under contract to the Department of Energy. I do not intend to criticize the alternative models. Instead, I would like to point out that different models serve different purposes, and that ours was reasonably adequate for the limited analytical problem we addressed in 1977.

Attachment:
    program

STATINTL

☒ UNCLASSIFIED ☐ INTERNAL USE ONLY ☐ CONFIDENTIAL ☐ SECRET

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Request to Give a Briefing

FROM:

Chief, Development & Analysis Center
Office of Economic Research

EXTENSION | NO.

DATE 8 June 1981 STAT

TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		
1. OER/Admin 4F29 Hqs				STATINTL
2. D/OER 4F18 Hqs.				
3. OER/Admin 4F29 Hqs				
4. Deputy Director, NFAC 7E47 Hqs				
5. OER/Admin 4F29 Hqs				
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FORM 610 USE PREVIOUS EDITIONS
3-62

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Program
Thursday, June 18, 1981

3:00 - 4:00   Registration — University Club/Kaiser Room

4:00 - 5:30   Session 1:   Energy Analysis in Support of the Development of Policy: Its Past and Future

Session Chairman: Bruce Pasternack, Booz-Allen & Hamilton, Inc.

Frederick Murphy and Mark Rodekohr, Applied Analysis, Energy Information Administration, Department of Energy
The Project Independance Blueprint and National Energy Outlook Studies and Their View of the 1980's

Jerry Blankenship and Michael Barron, Policy and Evaluation, Department of Energy
Macro Impacts of Oil Supply Disruptions: Past Efforts and Current Treatments

Charles Fisk, Central Intelligence Agency
A Retrospective View of the 1977 CIA Energy Outlook

Walter W. Schroeder, Planning, Synthetic Fuels Corporation
The Role of Energy Analysis in the Public Policy Process

5:30   Break

5:45 - 7:15   Session 2:   A Retrospective View of Energy Models

Session Chairman: Kenneth C. Hoffman, MATHTECH, Inc.

Jerry M. Eyster, Energy Information Validation, Energy Information Administration
Data and Coal Supply Modeling — or How to Dress for Success When All You Have Are Fig Leaves

Barry G. Silverman, The George Washington University
A Comparative Analysis of Two Large Scale Electric Utility Models

Phil Childress, Energy Consultant
Design, Development and Use of the Short-term Integrative Forecasting System (STIFS)

7:15   Dinner followed by Panel/Audience Discussion: Energy Analysis — Has it been useful? Does it have a future?
Chairman: Charles Mylander, Applied Science Department, U.S. Naval Academy
Leadoff Remarks: Bruce Pasternack, Booz-Allen & Hamilton, Inc.
                     Kenneth C. Hoffman, MATHTECH, Inc.

NCAC/IAEE Technical Workshop
ENERGY ANALYSIS: A Retrospective View

(Mail before June 10, 1981 to be eligible for the prepaid rates)

Name _____ Organization _____

Address _____

_____

Phone _____

Registration Fee

Prepaid (prior to June 10, 1981)		Not Prepaid
NCAC Members	$25	(payment after June 10, 1981) $35
Others	$30	Registration fee includes dinner

MAKE ALL CHECKS PAYABLE TO NCAC-IAEE
Ms. Anne Roland, A.G.A., 1515 Wilson Boulevard, Arlington, VA   22209

WORKSHOP OBJECTIVES

Many people have been involved in energy-policy analysis and energy forecasting since 1973. This workshop reassesses some of the studies done in the last decade in light of the dramatic events affecting the energy markets in the past 3 years. What lessons can be learned to improve the quality of energy studies and forecasts? What lessons can be drawn about the development, use, and management of models used by energy analysts? Were the published energy studies useful to policy planners and consumers of energy?

Directions to Parking:

Parking is available in the Marvin Center - entrance on H Street, just west of 21st Street. Additional parking in the University Center garage - entrance on I Street just west of 22nd Street. Proceed to the 3rd floor of Marvin Center and follow the signs.

Also, 2 blocks from Foggy Bottom Metro Stop.

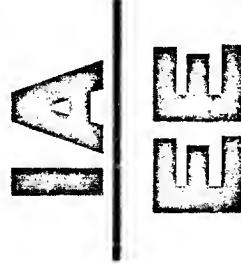## WORKSHOP COMMITTEE:

W. Charles Mylander
U.S. Naval Academy

John Brickhill
Foster Associates

Anne Roland
American Gas Association

Barry Silverman
The George Washington University

Julie Zalkind
Energy Information Administration

International Association of

Energy Economists

National Capital Area Chapter

Technical Workshop

**ENERGY ANALYSIS:
A Retrospective View**

June 18, 1981
Registration Starts at 3:00 PM

THE GEORGE WASHINGTON UNIVERSITY
MARVIN CENTER
Between H & I Streets on 21st Street, N.W.
3rd Floor
Washington, D.C.

IAEE

NCAC/IAEE
Ms. Anne Roland
American Gas Association
1515 Wilson Boulevard
Arlington, VA   22209

TRANSMITTAL SLIP	DATE	
TO: NFAC/CAR		

ROOM NO. 7G50	BUILDING Hqs

REMARKS:

STATINTL

FROM:		DAC/OER

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FORM NO. 241
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REPLACES FORM 36-8
WHICH MAY BE USED.

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